



**FREEPORT-McMoRAN
COPPER & GOLD**

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Francis McAllister
Vice President
Land and Water Department

June 24, 2019

Natural Resources Committee
Sub Committee on Water, Oceans and Wildlife
United States House of Representatives

The Honorable Chairman Jared Huffman
1527 Longworth House Office Building
Washington, DC 20515

The Honorable Ranking Member Tom McClintock
2312 Rayburn House Office Building
Washington, DC 20515

RE: H.R. 2459 Hualapai Tribe Water Rights Settlement Act of 2014

Dear Chairman Huffman and Ranking Member McClintock:

On behalf of Freeport Minerals Corporation (Freeport), I am writing to express support for H.R. 2459, Hualapai Tribe Water Rights Settlement Act of 2019. This legislation is an essential part in the establishment of long-term water supply certainty in Arizona. The Hualapai Tribe (the Tribe) is to be commended for its continued commitment to settling these long-standing issues and for focusing its future on renewable Colorado River water supplies instead of non-renewable groundwater supplies. Freeport will continue to support the Tribe's efforts and commits to the future sustainability of water resources in the region.

In 2014, Congress unanimously passed the Bill Williams Water Rights Settlement Act of 2014 (Phase I Settlement) and it was signed into law shortly thereafter. The primary intent of this Phase I Settlement was for the Tribe to secure Colorado River water and to set the stage for a Phase II Agreement, which would then provide the infrastructure to bring the secured Colorado River Water to the Hualapai Reservation (the Reservation). All parties to the Phase I Settlement, including the Department of the Interior (DOI), understood that Colorado River water was the intended solution for the Tribe. Following significant negotiation with the Tribe and DOI, Freeport funded two non-federal contributions to the Tribe that demonstrate the understanding by all parties that; 1) the Phase I Settlement was to secure Colorado River water for the Tribe, and then, 2) move to a Phase II settlement that would deliver the water to the Reservation. Freeport's first non-federal contribution in the Phase I Settlement was a \$10 million contribution to the Tribe to purchase lands along the Colorado River with associated Colorado River water rights. Freeport's second non-federal contribution was a \$1 million contribution to the Tribe to help develop the necessary professional studies to identify the most appropriate alternative for delivery of Colorado River water directly to the Reservation. These contributions clearly demonstrate the agreement by all parties to the Phase I Settlement for the Tribe to use Colorado River water and to move to a Phase II Settlement that would then provide the infrastructure for the Tribe.

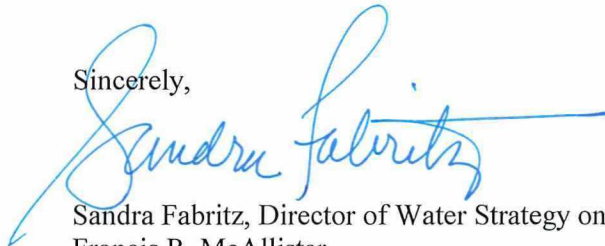
Freeport's understanding is that despite DOI participation in, and their agreement with the Phase I Agreement and the subsequent Bill Williams Water Rights Settlement Act of 2014 (as demonstrated by their signature) which is now law, DOI now insists that they will only provide funding for non-renewable, non-sustainable on-Reservation ground water. The current change in direction from DOI is contrary to their previous position and agreed intent of the 2014 Act.

Freeport and the Tribe share water resources in the Bill Williams Watershed and is the reason why Freeport is involved in these two settlements and it remains important to reach agreement with the Tribe to sustain this valuable resource in the region. We have and continue to view the Tribe, the US and the other parties in this basin as long-term partners and believe that this Settlement is vital for long-term economic viability in the region.

The Tribe plays an important role in the economic future of Mohave County in Arizona. The Tribe proactively has been attempting to develop renewable resources on the Reservation to provide important jobs for Tribal members as well as recreational opportunities in Northwestern Arizona. Securing the necessary water rights for the Tribe is important in achieving its goals of achieving full employment for Tribal members and economic self-sufficiency as well as providing certainty for other water users in the region. For these reasons, Freeport strongly supports passage of this H.R. 2459 (and the companion S2177) in its current form.

Finally, I would like to express my gratitude to Representative O'Halleran for sponsoring this bill and the remainder of the Arizona delegation for their continued support for Arizona's water future. I would also like to thank both of you for scheduling a hearing to consider this important piece of legislation and greatly appreciate the work the Sub Committee staff has devoted to moving this bill forward.

Sincerely,



Sandra Fabritz, Director of Water Strategy on behalf of
Francis R. McAllister
Vice President, Land & Water

cc: The Honorable Representative Tom O'Halleran
The Honorable Dr. Damon R. Clarke, Chairman, Hualapai Tribe
Thomas Buschatzke, Director Arizona Department of Water Resources
Reid Payton Chambers, Sonofsky, Chambers, Sachse, Endreson & Perry, LLP